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TRADE AND DEVELOPMENT BOARD
Standing Committee on Poverty Alleviation
Second session
25 July 1994
Item 2 of the provisional agenda

ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK

Provisional agenda and annotations to the provisional agenda

Note by the UNCTAD secretariat

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II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1: Election of officers

In accordance with rule 18 of the rules of procedure of the main Committees of the Trade and Development Board, the Committee will elect a Chairman, five Vice-Chairmen and a Rapporteur from among the representatives of its members. These officers will constitute the Bureau of the Committee which, as specified in rule 19, will consist of four members from Groups A and C combined, two members from Group B and one member from Group D.

Item 2: Adoption of the agenda and organization of work

The provisional agenda for the second session of the Standing Committee on Poverty Alleviation was approved by the Committee at the closing meeting of its first session, on 22 January 1993 (cf. TD/B/39(2)/13, annex II). Subsequently, at a meeting held on 3 May 1994, the Bureau of the Standing Committee agreed to recommend the inclusion of an additional item (item 6) as follows: "Contribution to the World Summit for Social Development". Accordingly, the proposed provisional agenda for the second session of the Committee is as set out in section I above.

As provided for in the UNCTAD calendar of meetings, the second session of the Standing Committee on Poverty Alleviation will have available five working days, from 25 to 29 July 1994. It is suggested that the Standing Committee may wish to hold a plenary meeting on the morning of Monday, 25 July in order to deal with agenda items 1 an 2 (i.e. election of officers and adoption of the agenda) and to hear any introductory or general statements on the substantive items of the agenda. Thereafter, the Standing Committee would consider the substantive items in an informal setting and convene a closing plenary meeting on the afternoon of Friday, 29 July. The closing plenary meeting would take action, as appropriate, on the outcome of the informal deliberations on the substantive items, approve the provisional agenda for the third session of the Standing Committee (item 7) and adopt the draft report of the Committee on its second session (item 8).

Item 3: Exchange of experiences on poverty reduction impacts of social funds and safety nets, including the mobilization of domestic and external resources for poverty alleviation

The report of the Intergovernmental Group of Experts on Poverty Alleviation (TD/B/CN.2/8), held from 24 to 28 January 1994, together with the issues note prepared by the UNCTAD secretariat entitled "Exchange of experiences on poverty reduction impacts of social funds and safety nets, including mobilization of domestic and external resources for poverty alleviation" (TD/B/CN.2/GE.1/2) and the three background notes - "Recent developments in social funds and safety nets" (UNCTAD/PA/2); "Mobilization of domestic resources for poverty alleviation" (UNCTAD/PA/3); and "Mobilization of external resources for poverty alleviation" (UNCTAD/PA/4) - will be before the second session of the Standing committee for its information and orientation. The above issues and background notes served as inputs into the deliberations of the Intergovernmental Group of Experts. The Report of the Intergovernmental Group includes the agreed conclusions and summarizes the discussions of the Group.

In its report, the Intergovernmental Group recommends that, at its second session, the Standing Committee discuss and identify (a) the relative impact and intervention cost of each type of external assistance on poverty reduction in various countries and the factors contributing to that impact; and (b) the most cost-effective strategies for ensuring that aid actually reaches the target group and meets the objectives of poverty alleviation programmes. The Standing Committee may wish to endorse the recommendations contained in the report of the Intergovernmental Group of Experts on Poverty Alleviation (TD/B/CN.2/8) and take note of the report.

In the issues note (TD/B/CN.2/GE.1/2), a number of conclusions are drawn on each of the distinct issues. With respect to social funds and safety nets, the note states that successful outcomes have been due more to suitable policies and targeting than to the amount of financial resources committed or the magnitude of the poverty problem addressed. Some of the most effective approaches have proved to be those which emphasized employment creation and income generation at relatively low costs, the development of basic infrastructure, and the delivery of basic social services used mostly by the poor. As for the mobilization of domestic resources, the note emphasizes that household savings should be mobilized and credit made more readily available to the poor. With respect to external resources and poverty alleviation, the document underlines the importance of greater dialogue between donors and recipient governments, including the role of community participation in the design and implementation of poverty alleviation programmes.

Also under item 3, the Standing Committee will have before it a report prepared by the UNCTAD secretariat: "Survey of replies to the questionnaire on poverty alleviation" (TD/B/CN.2/9), as requested by the Standing Committee in its work programme (TD/B/CN.2/4). The report provides information on what governments are doing to alleviate poverty in their own countries, thus enabling them to share their experiences with other governments and to point out areas where they would like to know more about what other countries are doing. Moreover, one of the annexes to the report provides information on the assistance objectives and programmes of donor countries with respect to poverty alleviation in the developing countries.

Item 4: Effects on poverty alleviation of structural adjustment programmes, job creation policies, and means for the participation of small-scale and micro-enterprises in international trade

The Standing Committee will have before it an issues note on the "Effects on poverty alleviation of structural adjustment programmes, job creation policies, and means for the participation of small-scale and micro-enterprises in international trade (TD/B/CN.2/10), and three background notes: "The effects on poverty alleviation of structural adjustment programmes (UNCTAD/PA/8); "The role of small and micro-enterprises in poverty alleviation through participation in international trade" (UNCTAD/PA/6); and "Structural adjustment and poverty alleviation" (UNCTAD/PA/7), which was prepared by a consultant to UNCTAD.

A number of conclusions and recommendations are presented in the issues note regarding the effects on poverty alleviation of structural adjustment programmes, job creation policies and means for the participation of small-scale and micro-enterprises in international trade. With respect to structural adjustment policies, the note recommends that liberalization policies be more nuanced and pragmatic; that the sequencing and phasing of structural reforms be more gradual and calibrated; and that an active government presence be maintained to compensate for market failure and to intervene directly in export promotion, investment incentives and parastatal reforms. As for job creation policies, the note proposes sets of approaches for urban and rural areas in which the common goal is to facilitate the effective labour absorption of the poor in the economy, as opposed to "workfare" projects that do not draw the poor into the mainstream. The measures proposed for this purpose include informal sector liberalization; supply of basic infrastructure and security of land tenure to informal urban settlements; loans to small-scale entrepreneurs in the urban and rural areas; infrastructure supply to backward rural areas; and improved seeds to increase the output of small producers in water-scarce agricultural areas. With respect to the participation of small-scale and micro-enterprises in international trade, the note concludes that the most successful cases of small-scale sector participation in external trade have combined the following two dimensions: (a) horizontal linkages consisting of the clustering of small-scale enterprises into mutually reinforcing networks of joint support and resource sharing; and (b) vertical linkages such as subcontracting arrangements in order to enable small-scale enterprises to benefit from the contacts and resources of economic agents having access to international markets.

Item 5: Social mobilization and organization of the poor

Pursuant to paragraph 5 of the work programme of the Standing Committee on Poverty Alleviation, the Secretary-General of UNCTAD convened the Workshop on Social Mobilization and Organization of the Poor, which was held in Tunis, Tunisia, from 15 to 18 November 1993. The Workshop examined the rationale, difficulties and main characteristics of participatory development; grassroots policies; measures affecting grassroots movements; and relationships between the parties involved in the participatory process.

For its consideration of this item, the Standing Committee will have before it two documents. The first is the report on the Workshop on Social Mobilization and Organization of the Poor (TD/B/CN.2/7), which provides an overview, discussion of the main issues, and the conclusions of the Workshop. Highlighted in this report are the difficulties experienced in the participatory process, and guidelines are supplied for integrating participatory dimensions into national and international development programmes and strategies. The second document is a background note prepared by the UNCTAD secretariat on the subject (UNCTAD/PA/5) which was made available to the participants of the Workshop.

Item 6: Contribution to the World Summit for Social Development

Bearing in mind UNCTAD's role as a focal point in the United Nations system for the integrated treatment of trade, development and related issues, the Standing Committee may wish to propose a set of poverty-related issues for consideration at the World Summit for Social Development.

Item 7: Provisional agenda for the third session of the Standing Committee

A draft provisional agenda for the third session of the Standing Committee will be submitted for consideration in the light of discussions and decisions taken by the Standing Committee at its second session. It is to be recalled that, according to paragraph 11 of document TD/B/1154 of 23 November 1987, "The number of substantive agenda items for sessions of the main Committees and other subsidiary bodies should as a rule be limited to three, one of which should be the work programme of the body concerned". Furthermore, ongoing discussions among member States and within UNCTAD has revealed a convergence of views that UNCTAD's work should focus primarily on its main areas of comparative advantage, namely trade, development finance and commodities. With the above points in mind, it is proposed that one of the substantive agenda items should be on the following cluster of issues under the item heading "International trade and poverty alleviation", as adopted in paragraph 7 (4) of the work programme of the Standing Committee, namely:

"(a) Analysis of the effects on incomes, particularly of the poor, of increased competitiveness of the developing countries and of elimination of trade barriers;

"(b) Analysis of the effects on the incomes of the poor of diversification of exports of goods and services and of stabilization of export earnings;

"(c) Analysis of the effects of external shocks, inter alia, arbitrary protectionist measures, trade sanctions, sudden falls in commodity prices, etc., on the poor, and proposed national and international measures to mitigate their impact."

Item 8: Other business

Item 9: Adoption of the report of the Standing Committee to the Trade and Development Board

The report of the Standing Committee on its second session will be considered at the pre-sessional executive session of the Trade and Development Board, scheduled to be held in September 1994.